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USAID
FROM THE AMERICAN PEOPLE

GUATEMALA

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FY 2009 FOREIGN ASSISTANCE GOALS

The United States Government (USG) and the Government of Guatemala (GOG) share a long-term vision of a stable, prosperous Guatemala that acts as a responsible, productive regional partner. The United States is Guatemala's main trading partner and bilateral donor. With the largest population and economy in Central America, Guatemala is a key player in a region that is critically important to the United States. However, major challenges face Guatemala: its inability to secure its international borders against transnational crime and drug trafficking; rising crime and violence aggravated by impunity, a weak judicial system, and an ineffective police system; an underfinanced state; and continuing high levels of inequality and poverty, resulting in food insecurity, limited economic opportunities, and inadequate health and education services.

Consistent with its foreign assistance priorities of Peace and Security, Governing Justly and Democratically, Investing in People, and Economic Growth, the USG provided foreign assistance resources in FY 2009 to help the GOG and private sector partners implement an ambitious development agenda. To aid Guatemala with these complex challenges, the USG implemented the following multifaceted program of assistance.

HIGHLIGHTS BY PROGRAM OBJECTIVE

Peace and Security

Guatemala's ability to secure its borders against transnational crime, including organized drug cartels and traffickers in persons, to respond to natural disasters, and to participate in peacekeeping operations is severely hampered by material shortages, manpower constraints, and training deficiencies. In FY 2009, USG assistance:

- Improved the ability of Guatemalan law enforcement to combat transnational crime through the Narcotics Affairs Section (NAS), the U.S. Drug Enforcement Administration, U.S. Immigration and Customs Enforcement, and other USG support in the investigation and prosecution of high-impact cases and legal training on money laundering and organized crime

- Provided interdiction assistance that significantly increased the amount of illegal drugs seized compared to FY 2008, amounting to a total of 11,853 kilos of pseudoephedrine, and 10,781 kilos of cocaine. This increase is in part the result of better-trained and equipped counternarcotics police, bilateral cooperation, and, in particular, the new wiretap unit in the Attorney General's office.
- Supported DAIA, the Guatemalan military, and the Public Ministry in four poppy eradication operations through material, logistics, and intelligence support. These operations resulted in 1,526 hectares eradicated, a 300 percent increase compared to last year.
- Provided International Military Education and Training and Foreign Military Financing for the Guatemalan Air Force and Navy through the U.S. Military Group to improve border controls

Governing Justly and Democratically

The strengthening of the rule of law and governance in Guatemala is crucial for all development activities and for the stability of its democracy. Guatemala's democratic institutions and processes remain weak and vulnerable to abuse. The weakness of its law enforcement and judicial institutions has created an environment of criminal impunity. Corruption continues to be widespread, and rural populations, especially the indigenous, continue to be marginalized. Violent crime – especially related to narco-trafficking, organized crime, and gang activity – rose significantly last year. In FY 2009, USG assistance:

- Monitored and ensured transparency in the election of the new Guatemala Supreme Court and Appeals Courts judges through U.S. Agency for International Development (USAID) support to a local coalition of civil society groups. This election process is considered one of the most transparent in the country's history, and was probably the single most important (and fully successful) reform in the area of democratic governance, justice, and security since Guatemala's return to democracy more than 20 years ago.
- Improved prosecution of crimes through NAS support in high-level corruption cases, the implementation of case management systems within key units, and support in the vetting process for specialized police and prosecutor units in order to reduce systemic corruption. USAID helped open two new 24-hour courts ("one-stop-shop" arraignment courts which take initial statements, review evidence, request and issue judicial warrants, and provide attention to victims) in key departments. USAID also supported the adoption of a model criminal trial court to achieve more efficient management of hearings. Programs for youth at risk expanded job placement and supported 19 community outreach centers. These programs resulted in reduced violence in schools and safer neighborhoods.
- Fostered the expansion of community-based policing and programs to reduce violence against women and protect youth-at-risk, in order to prevent crime. USAID supported crime prevention initiatives in the highly populated suburbs of Mixco and Villa Nueva, and initiated a crime prevention effort in San Cristobal Acasaguastlán and Antigua Guatemala, which resulted in a reduction in violence against schools and students (Mixco), improved coordination between police units around articulated prevention

plans (Antigua), increased awareness of violence against women (Villa Nueva), and improved relations between youth-at-risk and the police (San Cristobal).

- Promoted local governance, which resulted in a sustained increase in tax revenue and the establishment of Public Information Offices in each targeted municipality. The quality and quantity of citizen participation in municipal decision-making also increased.
- Made important advances in fighting corruption through its assistance in the implementation of Guatemala's Freedom of Information Law, and its efforts to ensure transparency in the election of high court judges. USAID supported the creation of public information units in seven key public institutions, trained more than 1,000 public servants in the application of the law, and launched an information campaign to inform citizens of their rights that reached an estimated 2.5 million individuals via radio and another 30,000 via written media.

Investing in People

In spite of Guatemala's lower middle-income country status, social sector development indices are very low. As of FY 2009, the infant mortality rate is the highest in Central America, and more than half of infant deaths are neonatal. Maternal mortality is similarly high. According to data from 2007, the rate of chronic malnutrition in Guatemala is among the highest in Latin America and the fourth worst in the world. In education, Guatemala has among the worst statistics in Central America. In FY 2009, USG assistance:

- Continued to save women's and children's lives through USAID programs to create a better environment for family planning and reproductive health to reduce the spread of HIV/AIDS and mitigate its impact, notwithstanding the global financial crisis, a food security crisis, severe budgetary cuts for the health sector, and opposition from the Catholic Church, which has a strong influence in target communities.
- Continued to improve the food security of poor, rural communities most at-risk of chronic malnutrition. The Food for Peace Title II program helped multiple communities in Guatemala's Western Highlands by providing nutritional interventions for 37,000 children and training to 38,800 men and women in child health and nutrition practices and to another 27,700 in maternal newborn care. However, the scale and location of an emerging acute malnutrition crisis in the eastern Dry Corridor requires further emergency resources. Influenced policy at the highest levels by providing assistance to President Colom in the implementation of the by-laws for the Universal Access to Family Planning Law after four years of delay in the Guatemalan courts. The law mandates reproductive health education in schools. USAID also worked with the Guatemalan Congress and with civil society organizations in advancing the Safe Motherhood Law and in monitoring GOG compliance with its commitments to women's health. The civil society Observatory on Reproductive Health opened branches in six departments and became a powerful mechanism to channel demands for culturally adapted health services.
- Significantly improved reproductive and maternal-child health care in Guatemala. The new Demographic and Health Survey (DHS) reflects the crucial role of USAID-assisted programs in saving the lives of women and children in Guatemala. The DHS, the result of years of coordinated effort involving USAID and the Centers for Disease Control,

shows that for the 2002-09 period, total fertility rate dropped from 4.4 percent to 3.6 percent; the contraceptive prevalence rate increased from 43.3 percent to 54.1 percent; the unmet demand for family planning decreased from 27.6 percent to 20.8 percent; the infant mortality rate dropped from 39 to 30 per 1,000 live births; the percentage of children with required vaccines increased from 62.5 percent to 71.2 percent; and the percentage of deliveries attended by qualified personnel increased from 42.1 percent to 51.3 percent.

- Continued to strengthen the national response to HIV/AIDS and to focus on prevention and gender issues through USAID-supported activities. USAID provided critical technical assistance as well as leadership to update the National AIDS Account (a vital tool used to track national and international funds spent on AIDS) and to assist the development and implementation of grant proposals of the Global Fund to Fight AIDS, Tuberculosis, and Malaria. Significant gains were made in working with the private sector to develop workplace policies that addressed HIV prevention and stigma, and with private providers to improve HIV services. Additionally, USAID implemented a number of behavior change communication methodologies to address different “types” of men based on qualitative research undertaken in FY 2008, and launched a new community mobilization initiative in departments with high rates of HIV prevalence.
- Sustained USAID efforts to advance and institutionalize national education policies that expand and improve education in Guatemala, despite GOG budget shortfalls. USAID complemented policy work with private sector partnerships to provide basic education to more than 86,000 children and more than 23,000 new textbooks to schools. Alliances with the private sector also allowed 461 indigenous and disadvantaged youth to study in higher education programs, and 430 at-risk youth to participate in outreach programs designed to strengthen basic education skills.

Economic Growth

The long-term goal of U.S. Economic Growth programs is a more competitive Guatemala, achieved through inclusive growth, job creation, and poverty reduction; full participation in the Central America and Dominican Republic Free Trade Agreement zone; and improved food security. Guatemala faces high levels of poverty and inequality, especially in rural areas where poverty remains a serious challenge. According to the World Bank, Guatemala has one of the most unequal income distributions in the hemisphere and a poverty rate of 51 percent. An improved trade and investment environment is critical to foster more rapid, sustainable, and broad-based economic growth, and to reduce the high poverty rates that plague the country. In FY 2009, USG assistance:

- Supported small-scale producers in the production and marketing of high-value horticulture, quality coffee, timber and non-timber products, and tourism, resulting in increased sales and jobs. USAID assistance helped to improve the incomes of 541 producer groups, benefiting over 20,000 rural households, and increased sales by over \$33 million. Of the rural households that benefited from USG assistance, 28 percent were in horticulture production, 30 percent in coffee, 22 percent in forestry, and 20 percent in tourism. USAID helped reconvert coffee mills to become more efficient and environmentally-friendly; provided assistance to cultivate 680 hectares of *Jatropha* Curcas for biodiesel, benefiting more than 450 small scale producers; and improved the availability of credit to small businesses during the international financial crisis through the U.S. Development Credit Authority.

- Supported the expansion of irrigated agriculture and improved sanitary and phytosanitary standards (SPS). USAID assisted GOG agriculture policy formulation through support for assessments of its SPS framework, research, and extension services. As a result, the Ministry of Agriculture now intends to build 11 mini-irrigation systems and provide training and technical assistance for farmers.
- USAID trained almost 2,500 women in good agricultural and business practices, exports, leadership skills, product packaging, and food safety. Nearly 1,400 women received assistance in increasing the economic benefits to be derived from sustainable natural resources management, and another 289 women gained employment as a result of program activities. Nine handicraft producer groups totaling 301 women received technical assistance in improving handicraft product design and commercialization. Assisted handicraft producers generated \$1 million in sales benefitting nearly 5,000 artisans, including an estimated 3,500 women.
- Provided support in the resolution of 61 land conflicts in 2 of the most vulnerable departments - Alta Verapaz and Quiché – through training in conflict resolution, and an awareness campaign to educate residents about the value of a reliable cadastre.
- Used Food for Peace Title II resources to improve food security through soil conservation, organic agriculture, food plot management plans, family gardens, improved granaries, poultry vaccination, animal production, irrigation systems, and reforestation. In FY 2009, 13,254 households benefited directly from these agricultural programs, a total of 14,228 individuals received short-term agricultural productivity training, and 33 new technologies were introduced to diversify crops and improve production practices.
- Improved management of Guatemala's natural resources and environmental protection. USAID supported third-party independent certification for forest management of 670,743 hectares of timber and non-timber species in the Maya Biosphere Reserve and a smaller area in the Verapaces region. USAID and the Inter-American Development Bank supported the development of a carbon sequestration program. As a result, five carbon projects were included in methodological and legal frameworks in FY 2009. USAID also helped the GOG reduce forest fires through the completion of 155 kilometers of black lines and fire breaks and 1,200 hectares of prescribed and controlled burning.